THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA): (a) No, Sir. District Special Employment Programme and Block Development Programme were launched in 1994-95 in various States, including Andhra Pradesh, which were subsequently merged with normal programmes of the Khadi and Village Industries Commission (KVIC).

(b) Does not arise.

(c) The success was only partial in most cases. As per these special programmes, 10,000 employment per district under District Special Programme and 1000 employment per block under Block Development Programme were expected to be achieved over a period of 5 years. While launching the programme, it was decided to tie up the same with the assistance of District Rural Development Agencies (DRDAs). But in view of a decision taken by the Ministry of Rural Development, to delink DRDA's Association with this programme, the target envisaged under these programmes could not be achieved and subsequently KVIC took a decision to merge them with the normal Khadi and Village Industries (KVI) programme. However, as on 31.3.2002, a total of 9955 projects were financed resulting in the generation of 105293 employment opportunities in the State of Andhra Pradesh.

Cluster development programme in Andhra Pradesh

1652. SHRI K. RAMA MOHANA RAO: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) what initiatives Government have taken to provide more employment opportunities in rural areas and to promote rural industries in the country;

(b) the steps taken to improve village industries in Andhra Pradesh;

(c) what is the cluster development programme; and

(d) what assistance has been extended under the cluster development programme to the State?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA): (a) and (b) The Government through Khadi and Village Industries Commission (KVIC) is implementing the Rural Employment Generation Programme (REGP) throughout the country including Andhra Pradesh to promote Khadi and village Industries including rural industries. Under this scheme 25% of project cost is provided as margin money for projects costing upto Rs. 10 lakhs. For project cost above Rs. 10 lakhs and upto Rs. 25 lakh, the rate of margin money is 25% of Rs.10 Lakh plus

10% of the balance cost of the project. For weaker sections margin money is given at the rate of 30% of the project cost upto Rs. 10 lakhs and for the balance amount (upto Rs. 25 lakh) it is 10%. Under this programme, all individuals/firms/societies/Limited companies are eligible to set up units subject to an investment ceiling of Rs. 25 lakhs. This scheme is being implemented through Public Sector Banks, Regional Rural Banks and on a selective basis through Co-operative Banks and Private Sector Scheduled Commercial Banks etc.

The Government has also decided to continue the REGP during the 10th Plan period *i.e.* upto 31.3.2007.

Moreover, for the promotion and development of KVI Industries sector, a special package was announced by the Government on 14.5.2001, which is under different phases of implementation. The Package *inter-alia* provides for Insurance cover to Khadi artisans, option between rebate and Market Development Assistance (MDA) creation of packaging and design facilities, measurs to promote marketing, brand building and cluster development, technology upgradation, quality control, marketing through publicity and advertisement etc.

(c) The KVIC takes steps for identifying clusters of rural Industrial activities/artisans in order to develop and promote them by extending various common facilities services. This approach of identification and extending assistance for promotion and development of rural industrial/ artisan clusters is known as Cluster Development Programme.

(d) In Andhra Pradesh State, "Srikakulam" has been identified as a cluster of 'Panduru Khadi' and the Gram Swarajya Sangham, Srikakulam has been identified as nodal agency for this purpose. Rs. 3.80 lakhs was sanctioned for this cluster, of which Rs. 0.72 lakh has already been released. Further, with UNDP support steps have been taken to support hand made paper units in Mehboobnagar District. Equipments for Common Facilities valuing Rs. 9 lakhs have been installed at premises of Khadi and Village Industries Trust, Mehboobnagar since May 2002.

Structural Reforms in Agro Industries

1653. SHRI SURESH PACHOURI: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) the present status of rural and agro industries;